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1. PORTUGAL: THE FORMATION OF AN EXECUTIVE TRIUMVIRATE IN PORTUGAL IS PROBABLY INTENDED TO BRIDGE THE THREE OPPOSING CURRENTS IN THE RULING MILITARY, BUT IT IS MORE LIKELY TO INCREASE THE DIFFERENCES AMONG THEM. THE TRIUMVIRATE IS UNLIKELY TO REPAIR THE DEEP DIVISIONS IN THE COUNTRY AS A WHOLE OR TO SOLVE PORTUGAL'S CRITICAL DOMESTIC PROBLEMS.4

DIFFERENCES BETWEEN SECURITY CHIEF OTELO DE CARVALHO AND PRIME MINISTER GONCALVES—WHO APPEARED TO EMERGE FROM THE ARMED FORCES GENERAL ASSEMBLY DELIBERATIONS ON FRIDAY IN THE STRONGEST POSITIONS—APPEAR TO BE UNBRIDGEABLE. THIS IS PROBABLY ALSO THE CASE FOR OTELO AND THE THIRD MEMBER OF THE TRIUMVIRATE, PRESIDENT COSTA GOMES, WHO APPEALED IN THE ASSEMBLY MEETING FOR A SLOWDOWN IN THE REVOLUTION BECAUSE IT WAS OUT OF TOUCH WITH THE PEOPLE.4

3 REACTION TO THE TRIUMVIRATE FROM THE COMMUNISTS HAS BEEN LUKEWARM AT BEST, SUGGESTING THAT THEY MAY BE APPREHENSIVE ABOUT THE ELEVATION OF OTELO—WHOM THEY HAVE

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GOOD REASON TO FEAR--TO SUCH A POSITION OF AUTHORITY.4

IT MUST ALSO BE EVIDENT TO THE COMMUNISTS NOT ONLY THAT THEIR FUTURE IS LINKED WITH THAT OF GONCALVES, BUT ALSO THAT THE MODERATES--BOTH IN THE MILITARY AND IN THE DEMOCRATIC PARTIES--ARE NOT READY TO CAPITULATE.4

IT IS UNCLEAR WHAT THE NEXT MOVE BY MODERATE MILITARY OFFICERS WILL BE. SEEING THAT THEIR EFFORT TO UNSEAT GONCALVES WOULD FAIL IN THE RADICAL-DOMINATED ASSEMBLY MEETING, KEY MODERATE OFFICERS REFUSED TO ATTEND, IN SPITE OF ENTREATIES BY COSTA GOMES AND OTHERS. INSTEAD, THEY HELD THEIR OWN MEETING AT THE FOREIGN MINISTRY.4

NOTHING IS KNOWN OF THEIR DISCUSSION, BUT MODERATE LEADER MAJOR VITOR ALVES SAID LAST WEEK THAT THEY WERE PLANNING TO RESIGN FROM THE LEADERSHIP, RETURN TO THEIR UNITS, AND WORK WITH THE PEOPLE TO ISOLATE LISBON FROM THE REST OF THE COUNTRY.4

1 BOTH THE SOCIALISTS AND THE MODERATE LEFTIST POPULAR DEMOCRATIC PARTY HAVE EXPRESSED OPPOSITION TO THE NEW TRIUMVIRATE. THE SOCIALISTS HAVE SOUGHT TO IDENTIFY CLOSELY

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WITH THE MODERATE, PRO-WESTERN REMARKS MADE BY COSTA GOMES DURING THE ASSEMBLY. BOTH THE SOCIALISTS AND THE POPULAR DEMOCRATS HAVE DENOUNCED THE NEW GOVERNING BODY AS ILLEGAL.4

SOCIALIST PARTY LEADER SOARES CALLED ON PRESIDENT COSTA GOMES TO BREAK AWAY FROM THE TRIUMVIRATE AND FORM A GOVERNMENT. CHARGING THAT THE JUNTA IS ILLEGAL, SOARES SAID ONLY THE PRESIDENT COULD UNIFY AND SAVE THE NATION FROM A RADICAL LEFTIST DICTATORSHIP. SOARES SPOKE AT A PARTY RALLY IN A NORTHERN PORT CITY.4

THE RALLY WAS PEACEFUL, BUT A SOCIALIST PROTEST RALLY ON SATURDAY NIGHT IN EVORA—SOME 75 MILES EAST OF LISBON—WAS ATTACKED BY THE COMMUNISTS, RESULTING IN DOZENS OF INJURIES. PORTUGUESE TROOPS WERE TO INTERVENE AS SOME 6,000 SOCIALISTS AND COMMUNISTS BATTLED WITH CLUBS AND ROCKS.4

CATHOLICS IN THE FAR NORTHERN TOWN OF BRAGANCA DEFIED THE MILITARY ON SUNDAY BY HOLDING A RALLY PROTESTING THE SEIZURE OF THE CHURCH RADIO.4

THE POPULAR DEMOCRATS WERE SAID TO BE PLANNING A RALLY ON THE ISLAND OF MADEIRA, WHICH, ACCORDING TO ONE UNCONFIRMED

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PRESS ACCOUNT, IS RUMORED TO BE CONSIDERING A DECLARATION OF INDEPENDENCE. 4

WHETHER THE TRIUMVIRATE CAN SUCCEED IN TEMPORARILY BRIDGING ITS DIFFERENCES MAY BECOME CLEARER WHEN—AND IF—A NEW CABINET IS ANNOUNCED ON MONDAY OR TUESDAY. ANY RESPITE SEEMS LIKELY TO BE BRIEF, GIVEN THE CONTINUING TURMOIL IN THE COUNTRY, THE ECONOMIC PROBLEMS WHICH ARE EXPECTED TO COME TO A HEAD IN THE NEXT FEW WEEKS, AND PROBLEMS IN THE AZORES AND ANGOLA. [REDACTED]

2. SPAIN: THE NEW CENTER-LEFT POLITICAL GROUP FORMED LAST MONTH HAS FOLLOWED UP ITS DENUNCIATION OF THE FRANCO REGIME BY OUTLINING A POLITICAL PROGRAM. 4

AGREEMENT ON THE PROGRAM WAS REPORTEDLY DIFFICULT TO REACH BECAUSE OF THE DIVERSE IDEOLOGICAL VIEWS OF THE 15 PARTIES AND THE MANY LABOR ORGANIZATIONS IN THE COALITION, WHICH CALLS ITSELF 'THE PLATFORM OF DEMOCRATIC CONVERGENCE'. ITS MEMBERS RANGE FROM MODERATE CHRISTIAN DEMOCRATS TO RADICAL COMMUNISTS WHO THINK THE SPANISH COMMUNIST PARTY

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TOO TEMPERATE.4

THE GROUP'S VERY DIVERSITY WILL MAKE IT DIFFICULT TO HOLD TOGETHER. IF IT CAN, THE DEMOCRATIC CONVERGENCE MAY BECOME A MAJOR POLITICAL FORCE IN THE POST-FRANCO PERIOD, WHEN IT COULD SERVE AS A COUNTERWEIGHT TO THE COMMUNIST-DOMINATED DEMOCRATIC JUNTA FORMED IN PARIS LAST YEAR.4

THE PROGRAM DETAILS THE GROUP'S GOALS. REJECTING THE FRANCO REGIME AND THE IMPOSED MONARCHICAL SUCCESSOR STATE ON GROUNDS THAT "DICTATORSHIP IS NOT REFORMABLE AND LIBERTY IS NOT NEGOTIABLE," THE GROUP CALLS FOR REFERENDUM TO DECIDE THE FORM OF THE FUTURE GOVERNMENT. THE GROUP STRONGLY SUPPORTS ESTABLISHMENT OF A FEDERAL STATE AND THE RIGHT OF SELF-DETERMINATION FOR ALL NATIONALITIES--A GOAL ANATHEMA TO THE ARMED FORCES.

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3. USSR: THE SEVERE ~~387133~~ DROUGHT IN THE USSR AND THE REDUCED PROSPECTS FOR THIS YEAR'S CROP WILL SMUDGE THE LEADERSHIP'S ECONOMIC RECORD AND COULD EVENTUALLY--
THOUGH PROBABLY NOT IMMEDIATELY--END IN A SEARCH FOR

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A SCAPEGOAT. DMITRY POLYANSKY SEEMS MADE TO ORDER FOR THAT ROLE. HE HAS ALREADY SUFFERED ONE SERIOUS DEMOTION FROM FIRST DEPUTY PREMIER TO MINISTER OF AGRICULTURE IN THE AFTERMATH OF THE DISAPPOINTING 1972 HARVEST; BUT, BECAUSE OF HIS POLITBURO MEMBERSHIP, HE IS STILL THE SENIOR GOVERNMENT OFFICIAL IN THE FIELD. HIS FUNCTIONAL RIVAL, PARTY SECRETARY FOR AGRICULTURE KULAKOV, WORKS WELL WITH GENERAL SECRETARY BREZHNEV AND, ALL OTHER THINGS BEING EQUAL, SOVIET SCAPEGOATS ARE USUALLY FOUND IN THE GOVERNMENT RATHER THAN IN THE PARTY.4

POLYANSKY HAS BEEN CAREFUL IN HIS PUBLIC OBEISANCE TO BREZHNEV, BUT HE HAS CLEARLY BEEN EXCLUDED FROM THE INFLUENTIAL GROUP OF LEADERS WHO NOW CONSTITUTE THE INNER CORE OF THE POLITBURO. IN THE ELECTION CAMPAIGN THIS SPRING, HE WAS THE FIRST OF THE MOSCOW-BASED FULL MEMBERS OF THE POLITBURO TO SPEAK, AN INDICATION OF HIS LOW PLACE IN THE PECKING ORDER.4

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POLYANSKY HAS ONCE AGAIN BEEN SABOTAGED BY THE VAGARIES OF THE USSR'S CLIMATE IN A DELICATE PERIOD IN KREMLIN POLITICS. GENERAL SECRETARY BREZHNEV GOT THROUGH A TROUBLED PERIOD LAST WINTER AND IS ENTERING THE PRE-CONGRESS PERIOD IN A RELATIVELY STRONG PERSONAL POSITION.

NEVERTHELESS, HIS ILLNESS AND REDUCED POLITICAL VIGOR IN THE WINTER AND SPRING DRAMATIZED THE FACT THAT THIS CAN BE EXPECTED TO BE HIS LAST PARTY CONGRESS. HE WILL WANT TO STRENGTHEN THE POSITIONS OF HIS CLIENTS AND, TO THE EXTENT THAT HE CAN, LAY THE GROUNDWORK FOR A SUCCESSION THAT WILL CONTINUE HIS WORK AND PRESERVE HIS PLACE IN SOVIET HISTORY. HE IS UNLIKELY TO SEE A ROLE FOR POLYANSKY IN THIS SCENARIO, ALTHOUGH THE LATTER MIGHT GET SOME PROTECTION FROM OTHER SENIORS CONCERNED ABOUT LIMITING

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BREZHNEV'S ROOM FOR MANEUVER. IN POLYANSKY'S OWN GENERATION, CONTENDERS FOR SUCCESSION ARE MORE LIKELY TO BE PLEASED THAN DAUNTED IF THE FIELD OF RUNNERS IS SLIGHTLY NARROWED.4

THE TIMING OF A MOVE AGAINST POLYANSKY--ASSUMING ONE IS MADE--IS UNCLEAR, BUT FOREIGN AND DOMESTIC CONSIDERATIONS WOULD SEEM TO ARGUE AGAINST ANY IMMEDIATE ACTION. THE SOVIET UNION WOULD PRESUMABLY PREFER TO RE-ENTER WESTERN GRAIN MARKETS LATER THIS YEAR BEFORE REVEALING THAT ITS HARVEST PROBLEMS WERE SERIOUS ENOUGH TO CAUSE THE OUSTER OF A POLITBURO MEMBER. MOREOVER, THE NEED FOR A SCAPEGOAT LIES IN THE FUTURE, WHEN THE HARVEST FIGURES ARE IN. TO REMOVE POLYANSKY NOW WOULD LEAVE KULAKOV VULNERABLE NEXT FALL AS THE ONLY REMAINING "RESPONSIBLE OFFICIAL" IN THE FIELD OF AGRICULTURE. [REDACTED]

3. HUNGARY: THE HUNGARIAN LEADERSHIP HAS BEEN AVOIDING SUBSTANTIAL CONSUMER PRICE INCREASES FOR POLITICAL REA-

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SONS, BUT NOW APPEARS READY TO MOVE FORWARD IN THIS SENSITIVE AREA.4

KADAR'S REFUSAL TO RAISE PRICES THIS SPRING HAS BEEN CRITICIZED BY SOME HUNGARIAN ECONOMISTS. THEY CLAIM THAT KADAR WAS PRESENTED WITH SOLID STATISTICAL EVIDENCE OF THE NEED FOR INCREASES, BUT REFUSED TO ACT FOR FEAR OF REMOVING THE GLOSS FROM THE PARTY CONGRESS IN MARCH AND THE PARLIAMENTARY ELECTIONS IN JUNE. NOW THE REGIME HAS APPARENTLY DECIDED TO INCREASE SOME PRICES IN AUGUST AND PERHAPS AGAIN IN JANUARY. THE FINANCE MINISTER SAID THE AUGUST PRICE HIKES WILL INCLUDE A 25-PERCENT BOOST IN ENERGY COSTS AND A 10-15 PERCENT RISE IN CERTAIN BASIC CONSUMER ITEMS.4

ECONOMIC CONDITIONS IN THE WEST MAY WELL AFFECT THE TIMING OF THE ANNOUNCEMENT OF PRICE INCREASES. PRICING BOSS CSIKOS-NAGY SAID THE REGIME PREFERS TO MAKE THE ANNOUNCEMENT WHILE INFLATION RATES IN THE

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WEST ARE HIGH, THEREBY IMPLICITLY SHIFTING RESPONSIBILITY TO THE WEST. THE REGIME OBVIOUSLY HOPES THAT SUCH A TACTIC WOULD HELP TO KEEP IT AND THE SOVIETS FROM BEING FAULTED. THE SOVIET INSISTENCE ON HIGHER PRICES FOR OIL AND OTHER PRODUCTS IMPORTED BY HUNGARY HAVE IN FACT HIT THE COUNTRY HARD. [REDACTED]

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CUBA-LATIN AMERICA: TWO EVENTS ON JULY 29 WILL EMPHASIZE A CHANGED RELATIONSHIP BETWEEN CUBA AND THE REST OF LATIN AMERICA.4

THE OAS SEEMS CERTAIN TO MOVE TO UNBURDEN INTER-AMERICAN AFFAIRS OF THE DIVISIVE CUBA SANCTIONS ISSUE. THE RESOLUTION BEING OFFERED TO THE OAS FOREIGN MINISTERS, WHO WILL BE MEETING AT SAN JOSE, COSTA RICA, WILL GRANT FREEDOM OF ACTION TO TREATY SIGNATORIES REGARDING THEIR CONDUCT OF RELATIONS WITH CUBA.4

THE ACTION WOULD IGNORE THE SUBSTANCE OF THE 1964 CHARGES AGAINST HAVANA AND MERELY RELIEVE OAS MEMBERS OF OBLIGATIONS CONCERNING FIDEL CASTRO'S REGIME. RELATIONS WITH CUBA WOULD THEN BECOME A BILATERAL MATTER RATHER THAN ONE CONTROLLED BY THE OAS.4

ALTHOUGH THE RESOLUTION WOULD NOT ADDRESS THE CHARACTER OF THE CUBAN GOVERNMENT, THE EFFECT WILL BE TO END, FOR ALL PRACTICAL PURPOSES, LATIN AMERICA'S LONG OSTRACISM OF CASTRO.4

ANOTHER EVENT WILL TAKE CASTRO'S GOVERNMENT BEYOND THE SOMEWHAT NEUTRAL STATUS TO BE GRANTED BY THE OAS. ON JULY 29, ABOUT 15 GOVERNMENTS, INCLUDING CUBA, WILL SEND REPRESENTATIVES TO PANAMA TO

CREATE A LATIN AMERICAN ECONOMIC ASSOCIATION THAT IN SOME WAYS WILL PARALLEL THE OAS. CUBA WILL BECOME ONE OF THE FOUNDING MEMBERS.Y

DESPITE ITS OBVIOUSLY IMPROVED STATUS, CUBA IS A LONG WAY FROM RESPECTABILITY THROUGHOUT CENTRAL AND SOUTH AMERICA. STRONGLY ANTI-COMMUNIST GOVERNMENTS, PARTICULARLY CHILE, PARAGUAY, AND URUGUAY, WILL CONTINUE TO REGARD CUBA AS A PARIAH.Y

OTHER GOVERNMENTS ARE LESS HOSTILE BUT NEVERTHELESS COOL TOWARD HAVANA AND WILL CRITICALLY EXAMINE CUBA'S CONDUCT WITHIN LATIN ORGANIZATIONS SUCH AS THE NEW ECONOMIC GROUP.Y

ONE OF THE FUNCTIONS OF THE LATIN AMERICAN ECONOMIC SYSTEMS WILL BE TO SERVE AS A FORUM FOR LATIN AND CARIBBEAN GOVERNMENTS TO WORK OUT THEIR DIFFERENCES SO THAT UNIFIED POSITIONS CAN BE PRESENTED TO THE US IN THE OAS.Y

THE NEW ORGANIZATION WILL EXTEND MEMBERSHIP TO GOVERNMENTS NOW EXCLUDED FROM THE OAS, SUCH AS GUYANA. GEORGETOWN HAS BEEN DENIED OAS MEMBERSHIP BECAUSE OF ITS TERRITORIAL DISPUTE WITH VENEZUELA. THE SAME IMPEDIMENT WILL APPLY TO BELIZE WHEN IT BECOMES INDEPENDENT. BELIZE HAS BORDER PROBLEMS WITH GUATEMALA.Y

**THE ECONOMIC SYSTEM, UNIMPEDED BY SUCH CONSIDERATIONS, COULD
BECOME A MORE PRATICIAL VEHICLE FOR MULTILATERAL RELATIONS AMONG THE
LATIN AND CARIBBEAN GOVERNMENTS.**

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1. CAMBODIA: CAMBODIAN COMMUNIST AND THAI OFFICIALS RECENTLY HELD A LOW-LEVEL MEETING NEAR THE THAI BORDER TOWN OF ARANYAPRATHET.4
ACCORDING TO A PRESS VERSION OF THE MEETING, THE CAMBODIANS TOOK THE INITIATIVE IN ARRANGING THE CONTACT. THE TWO SIDES ARE SAID TO HAVE DISCUSSED RESUMPTION OF TRADE AND DIPLOMATIC RELATIONS, OPENING OF THE BORDER, AND FUTURE MEETINGS BETWEEN CAMBODIAN AND THAI REPRESENTATIVES, POSSIBLY IN PHNOM PENH, BATTAMBANG, OR POIPET, NEAR THE CAMBODIAN-THAI BORDER.4

THE MEETING WAS ATTENDED BY A THAI DISTRICT OFFICIAL, WHO WAS IN CONTACT WITH HIS MINISTRY OF INTERIOR, AND ON THE CAMBODIAN SIDE BY A FORMER PHNOM PENH TEACHER WHO TOLD A REPORTER THAT HE WAS A TRADE REPRESENTATIVE APPOINTED BY THE "MILITARY COMMITTEE" IN PHNOM PENH.4

A THAI FOREIGN MINISTRY OFFICIAL, IN COMMENTING ON THE MEETING, CAUTIONED THAT THE PRESS ACCOUNT HAD EXAGGERATED THE SIGNIFICANCE OF THE CONTACT. HE SAID, HOWEVER, THAT THE FOREIGN MINISTRY WOULD STUDY THE RESULTS OF THE MEETING CAREFULLY.4

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IF THE MEETING, AS CLAIMED, CAME AT THE INITIATIVE OF PHNOM PENH RATHER THAN FROM LOCAL OFFICIALS, IT COULD LEAD TO THE DEVELOPMENT OF A MORE FORMAL AND HIGHER LEVEL DIALOGUE. THE CHANCES OF AN EARLY RESUMPTION OF DIPLOMATIC RELATIONS BETWEEN CAMBODIA AND THAILAND ARE PROBABLY NIL. THE CAMBODIAN COMMUNISTS ARE ALMOST CERTAINLY NOT PREPARED TO MOVE IN THIS DIRECTION UNTIL THE NEW GOVERNMENTAL STRUCTURE IS DECIDED UPON AND RELATIONS WITH MAJOR ALLIES ARE FORMALIZED. NEVERTHELESS, PHNOM PENH MAY BE TRYING TO RELAX THE SITUATION ALONG THE BORDER WITH THAILAND AND EXPAND TRADE IN ORDER TO ALLEVIATE ITS SUPPLY SHORTAGES, PARTICULARLY IN THE NORTHWEST.4

APPARENTLY TRYING TO COUNTER THE RECENTLY REVIVED RUMOR THAT CAMBODIAN DEPUTY PRIME MINISTER AND DEFENSE MINISTER KHIEU SAMPHAN IS DEAD, THE CAMBODIAN REPRESENTATIVE TOLD A JOURNALIST AT THE MEETING THAT KHIEU SAMPHAN IS ALIVE AND WORKING IN THE DEFENSE DEPARTMENT IN PHNOM PENH. THE CAMBODIAN MEDIA LAST MENTIONED KHIEU SAMPHAN ROUTINELY ON JULY 1. THE REPRESENTATIVE ALSO HINTED THAT FURTHER DETAILS ON CAMBODIAN COMMUNIST LEADERS WOULD SOON BE

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KIM YONG-SAM ABRUPTLY CANCELED A PLANNED TRIP TO SOUTHEAST ASIA.4

THE GOVERNMENT WILL PROBABLY BE ABLE TO PREVENT A MAJOR RESUMPTION OF OPEN POLITICAL DISSENT. PAK'S OPPONENTS HAVE GENERALLY NOTED THEIR CRITICISM SINCE THE COMMUNIST VICTORIES IN INDOCHINA IN THE SPRING.4

THE REACTION TO THE VETO POINTS UP AGAIN4 THAT POLITICAL RESTIVENESS IS NOT FAR BELOW THE SURFACE. 25X1

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MADE PUBLIC. [REDACTED]

2. SOUTH KOREA: PRESIDENT PAK'S OPPONENTS HAVE REACTED SHARPLY TO HIS VETO OF AN OPPOSITION-SPONSORED BILL THAT WOULD HAVE REQUIRED GOVERNMENT OFFICIALS TO TESTIFY BEFORE THE NATIONAL ASSEMBLY.4

THE BILL PASSED WITH BIPARTISAN SUPPORT EARLY THIS MONTH, BUT THE GOVERNMENT HAS HAD SECOND THOUGHTS, SAYING THAT THE MEASURE COULD COMPROMISE NATIONAL SECURITY INFORMATION. OPPOSITION ASSEMBLYMEN ARE EAGER TO REGAIN THE POWER TO QUESTION GOVERNMENT OFFICIALS—A PREROGATIVE TAKEN AWAY FROM THE ASSEMBLY BY THE AUTHORITARIAN 1972 CONSTITUTION.4

A SPOKESMAN FOR THE OPPOSITION NEW DEMOCRATIC PARTY CHARGED OVER WEEKEND THAT PAK'S VETO CHANGES THE GOVERNMENT-OPPOSITION RELATIONSHIP FROM ONE OF GROWING DIALOGUE BACK TO CONFRONTATION. IN ORDER TO DEAL WITH THE SITUATION, NEW DEMOCRATIC PARTY CHARGED OVER THE WEEKEND THAT PAK'S VETO CHANGES THE GOVERNMENT-OPPOSITION RELATIONSHIP FROM ONE OF GROWING DIALOGUE BACK TO CONFRONTATION. IN ORDER TO DEAL WITH THE SITUATION, NEW DEMOCRATIC PARTY LEADER

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1. //ANGOLA: THE NATIONAL FRONT FOR THE LIBERATION OF ANGOLA DOES NOT APPEAR TO HAVE ADVANCED MUCH BEYOND THE TOWN OF CAXITO, WHICH IT CAPTURED EARLY LAST WEEK, DESPITE RUMORS IN LUANDA THAT FRONT FORCES WILL SOON ENTER THE CITY.//4

//THE FRONT'S ABILITY TO MOVE ON LUANDA MAY IN PART BE DETERMINED BY LOGISTIC SUPPORT FROM ZAIRE AND THE RESULTS OF FIGHTING UNDER WAY ELSEWHERE IN ANGOLA WITH FORCES OF THE RIVAL POPULAR MOVEMENT FOR THE LIBERATION OF ANGOLA.//4

//A HIGH-RANKING FRONT OFFICIAL SAID OVER THE WEEKEND THAT THE FRONT WOULD NOT ENTER LUANDA IN FORCE BUT WOULD TRY TO PROVIDE RELIEF TO ITS REMNANTS THAT ARE BESIEGED IN SEVERAL LOCATIONS ON THE OUTSKIRTS OF THE CITY. HE SAID THE FRONT INTENDED TO SEAL OFF LUANDA AND WOULD THEN TRY TO NEGOTIATE THE REMOVAL OF RIVAL FORCES FROM THE CITY.//4

//THE PORTUGUESE ARE NOW A KEY FACTOR. THE PORTUGUESE HIGH COMMISSIONER TOLD THE US CONSUL GENERAL ON SATURDAY THAT A POLICY OF STRICT NEUTRALITY WOULD BE UPHOLD, IMPLYING THAT THE FRONT'S EFFORTS

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WOULD NOT BE OPPOSED. HE SAID, HOWEVER, THAT HE DOUBTED THAT THE FRONT HAS THE STRENGTH TO ENTER LUANDA. THE PORTUGUESE HAVE SWITCHED SIGNALS SINCE LAST WEEK, WHEN THE PORTUGUESE COMMANDER HAD ORDERED HIS TROOPS TO ESTABLISH A PERIMETER AROUND THE CITY TO PROTECT IT AGAINST AN OFFENSIVE BY THE FRONT.//4

//IN ANTICIPATION OF RENEWED FIGHTING IN LUANDA, THE BRITISH HAVE CLOSED THEIR CONSULATE AND EVACUATED THEIR OFFICIALS AND A NUMBER OF AMERICAN AND EUROPEAN RESIDENTS. [REDACTED]

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2. USSR-ISRAEL: THE SOVIETS HAVE REACTED GINGERLY TO MOVES TO SUSPEND ISRAEL FROM THE UN. BY

SOVIET MEDIA HAVE ALLUDED ONLY BRIEFLY TO THE ARAB PROPOSALS. WHEN THEY DID GET AROUND TO REPORTING ON THE ISLAMIC CONFERENCE IN JIDDA, THE RESOLUTION CALLING FOR ISRAEL'S SUSPENSION FROM THE UN WAS NOT MENTIONED.4

MOSCOW OBVIOUSLY WOULD RATHER NOT HAVE TO FACE THE SUSPENSION ISSUE AT THE UN GENERAL ASSEMBLY. A SOVIET VOTE FOR SUSPENSION WOULD CONFIRM ISRAEL'S SUSPICIONS OF THE SOVIETS AND WOULD UNDERCUT MOSCOW'S EFFORTS TO WIN A ROLE FOR ITSELF IN THE MIDDLE EAST NEGOTIATIONS.

[REDACTED]